

## Criteria and Standards School District – Interim Reports

### CRITERIA

### STANDARDS

#### **FIRST TIER REVIEW**

**(Deviations from the Fund or Cash Balances standards trigger a second tier review – the 2<sup>nd</sup> Tier is in addition to all items in the 1<sup>st</sup> Tier)**

Fund and Cash Balances

A multiyear projection indicates that the fund balance at the end of this fiscal year and the two subsequent fiscal years will be positive and a cash flow analysis indicates that the cash balance will be positive at the end of this fiscal year.

Supplemental Information

Provide supplemental information as follows:

- Fund balance is not less than the sum of its components.
- Available reserves are not less than the following percentages as applied to total expenditures<sup>1</sup>, transfers out and other uses, except as provided for in *Education Code* Section 33128:
 

the greater of 5% or \$50,000	for districts with	0 -	300 ADA
the greater of 4% or \$50,000	for districts with	301 -	1,000 ADA
3%	for districts with	1,001 -	30,000 ADA
2%	for districts with	30,001 -	400,000 ADA
1%	for districts with	400,001 -	and over ADA

<sup>1</sup> An Administrative Unit of a Special Education Local Plan Area may exclude the distribution of revenues to its participating members.

- Identify all significant multiyear commitments that have occurred since budget adoption and identify the resources used to service those commitments.
- Identify any known or contingent liabilities from financial or program audits, state compliance reviews, litigation, etc., that have occurred since budget adoption that may impact the budget.
- Analyze the status of other funds that may have negative fund balances at the end of the fiscal year. If any other fund has a projected negative fund balance, prepare a complete financial statement for that fund.
- Identify projected contributions to restricted programs if there has been an increase or decrease of more than 5% from the budgeted contributions.

## **Criteria and Standards**

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#### **STANDARDS**

##### **FIRST TIER REVIEW**

Supplemental Information - (continued)

- Identify the status of employee salary and benefit negotiations.

If salary and benefit negotiations are not finalized, upon settlement with the certificated or classified staff:

- The school district must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the county office of education with an analysis of the cost of the settlement and its impact on the operating budget. The governing board must certify to the validity of the analysis.
- The county superintendent shall review the analysis relative to the criteria and standards, and may provide written comments to the president of the district governing board and the district superintendent.

## Criteria and Standards School District – Interim Reports

### **CRITERIA**

### **STANDARDS**

#### **SECOND TIER REVIEW**

**(Deviations must be explained in writing)**

**NOTE: In addition to the items in the 1<sup>st</sup> Tier, the 2<sup>nd</sup> Tier includes:**

Average Daily Attendance	Projected ADA has not increased or decreased by more than 2% from the budgeted ADA.
Revenue Limit	Projected revenue limit has not increased or decreased by more than 2% from the budgeted revenue limit.
Other Revenues	Projected federal revenues have not increased or decreased by more than 5% from the budgeted revenues.  Projected other state revenues have not increased or decreased by more than 5% from the budgeted revenues.  Projected local revenues have not increased or decreased by more than 5% from the budgeted revenues.
Salaries and Benefits	Projected salaries and benefits have not increased by more than 2% from the budgeted salaries and benefits.
Other Operating Expenses	Projected expenditures for books and supplies, and services and other operating expenditures, have not increased or decreased by more than 5% from the budgeted expenditures.  Projected capital outlay and other outgo have not increased or decreased by more than 10% from the budgeted capital outlay and other outgo.
Other Sources and Uses	Projected other sources have not increased or decreased by more than 10% from the budgeted other sources.  Projected other uses have not increased or decreased by more than 10% from the budgeted other uses.